



Legislative Fiscal Bureau

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September 21, 2010

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Children and Families: Governor's Section 13.10 Request for Approval of Allocation of Federal Economic Stimulus Funds for Early Childhood Education and Care Coordination and Collaboration Funds -- Agenda Item IV

REQUEST

The Governor requests approval of an increase in expenditure authority in the economic support federal project activities and administration appropriation [20.437(2)(ma)] of \$1,436,600 FED in 2010-11 to reflect the allocation of federal American Recovery and Reinvestment Act (ARRA) funds in the Department of Children and Families (DCF) to coordinate and collaborate among early childhood education and care programs and services.

BACKGROUND

Head Start Reauthorization Act

Collaboration Grants. The Head Start Reauthorization Act of 2007 established collaboration grants for each state to: (a) assist Head Start agencies to collaborate with entities involved in state and local planning processes to better meet the needs of low-income children from birth to school entry and their families; (b) assist Head Start agencies to coordinate activities with the state agency responsible for administering the child care subsidy program and entities providing resource and referral services in the state to make full working day and full calendar year services available to children; (c) promote alignment of curricula used in Head Start programs and continuity of services with the Head Start child outcomes framework and state early learning standards; (d) promote better linkages between Head Start agencies and other child and family agencies, including agencies that provide health, mental health, or family services, or other child or family supportive services, including services provided under the Individuals with Disabilities Education Act; and (e) carry out the activities of the State Director of Head Start Collaboration. The Act requires states to appoint

or designate a State Director of Head Start Collaboration who ensures collaboration is effective.

State Director of Head Start Collaboration. The State Director is required to conduct an assessment within one year of the receipt of a grant to address the needs of Head Start agencies in the state with respect to collaboration, coordination, and alignment of services and curricula and to develop a strategic plan based on this assessment to accomplish the goals listed under (a) through (e) above, as well as enable Head Start agencies to better access professional development opportunities and to enable the Head Start agencies to better conduct outreach to eligible families. The State Director must also: (a) promote partnerships between Head Start agencies, state and local governments, and the private sector; (b) consult with the chief state school officer, local educational agencies, and providers of childhood education and development; (c) promote partnerships between Head Start agencies, schools, law enforcement, relevant community-based organizations, and substance abuse and mental health treatment agencies; (d) promote partnerships between Head Start agencies and other organizations in order to enhance program quality; (e) identify other resources and organizations for the provision of in-kind services to Head Start agencies; and (f) serve on the State Advisory Council in order to assist the efforts to engage in effective coordination and collaboration.

State Advisory Council on Early Childhood Education and Care. The Head Start Reauthorization Act required the Governor to designate or establish a council to serve as the state advisory council on early childhood education and care for children from birth to school entry. The Act also required the Governor to appoint the members of the council, which must include representatives of: (a) the state agency responsible for child care; (b) the state educational agency; (c) local educational agencies; (d) institutions of higher education; (e) local providers of early childhood education and development services; (f) Head Start agencies, including migrant, seasonal, and Indian programs; (g) the state agency responsible for programs under the Individuals with Disabilities Education Act; (h) the state agency responsible for health or mental health care; and (i) other entities determined to be relevant by the Governor. The council must also include the State Director of Head Start Collaboration.

The goal of the council is to bring together top decision makers for collective discussion about how to better coordinate services so that young children have the supports in place that they need to grow into strong, healthy, productive adults. The council is responsible for: (a) conducting periodic statewide needs assessments on the quality and availability of early childhood education and development programs and services from birth to school entry; (b) identifying opportunities for, and barriers to, collaboration and coordination; (c) developing recommendations on increasing participation in child care and early education programs, including outreach to underrepresented and special populations; (d) developing recommendations on the establishment of a unified data collection system for public early childhood and development programs and services; (e) develop recommendations on statewide professional development and career advancement plans for early childhood educators; (f) assessing the capacity and effectiveness of institutes of higher education supporting the development of early childhood educators; (g) making recommendations for improvements in early learning standards and undertaking efforts to develop high-quality

comprehensive early learning standards, as appropriate; and (h) facilitating the development or enhancement of high-quality systems of early childhood education and care designed to improve school readiness through the promotion of school preparedness of children from birth through school entry, the support of professional development, recruitment, and retention initiatives for early childhood educators, the enhancement of existing early childhood education and development programs and services, or the carrying out of other activities consistent with the state's plan and application.

State Plan and Application. The state is required to submit a plan and application that covers a three-year period detailing: (a) the statewide strategic report based on the needs assessment; (b) a description of how the state will make effective use of funds available; (c) a description of the state early learning standards and the state's goals for increasing the number of children entering kindergarten ready to learn; (d) information indentifying the agency or joint interagency office, and individual, designated to carry out the activities; and (e) a description of how the state plans to sustain the activities beyond the grant period. The grant amount totals 30% of the total approved cost. States are required to provide the remaining 70% as matching funds.

Use of Grant Funds. The grant is one-time funding for start-up costs, with a minimum of \$500,000 available for each state. Grant funds must be used to facilitate the development or enhancement of high-quality systems of early childhood education and care designed to improve school preparedness through one or more of the following activities: (a) promoting school preparedness of children from birth through school entry; (b) supporting professional development, recruitment, and retention initiatives for early childhood educators; (c) enhancing existing early childhood education and development programs and services; and (d) carrying out other activities consistent with the state's plan and application.

Early Childhood Advisory Council

Pursuant to the Head Start Reauthorization Act, the Governor signed an Executive Order that created the Early Childhood Advisory Council (ECAC) on October 30, 2008, and subsequently appointed its members. ECAC is chaired by the DCF Secretary and the State Superintendent and also includes the Director of the Head Start State Collaboration Office in DCF. ECAC is housed in DCF for administrative purposes.

The Executive Order directed that ECAC carry out the duties and functions pursuant to the Head Start Reauthorization Act as described under "State Advisory Council on Early Childhood Education and Care" above. In addition, the Order directed ECAC to hold public hearings and provide an opportunity for public comment on their duties and activities, to submit a statewide strategic report that addresses these duties and activities, and to meet periodically to review any implementation of the recommendations of the strategic report and any changes in state and local needs.

ECAC has established initial principles to guide the Council's work. These principles

include: (a) the primary focus is on the best interests of the state's children; (b) parents are the primary decision-makers, teachers, and advocates for their children; (c) communities must provide integrated quality services to ensure children's education, physical and mental health, and family support; (d) public, private, and government entities share the responsibility for implementing comprehensive systems; (e) quality professional development opportunities support a skilled and stable workforce; (f) adequate and equitable financing, derived from multiple funding sources, supports comprehensive and continuous early childhood services; and (g) public policy should support blended funding streams to create comprehensive systems. Within this framework, ECAC is currently focusing on early learning standards [Wisconsin Model Early Learning Standards (WMELS)], professional development, collaboration, and data collection.

ARRA Funding for State Advisory Councils on Early Childhood Education and Care

Provisions of ARRA set aside \$100 million for the state advisory councils to access these one-time startup grants to develop and implement their plans for coordination and collaboration as described under the Head Start Reauthorization Act. Each state's allocation is based on the relative number of children under the age of five from families whose income is below the poverty line, with a minimum of \$500,000 for each state. Wisconsin's allocation is \$1,272,323, with an additional \$164,277 available in supplemental federal funds for the state's ECAC because the state submitted its application prior to the August 1, 2010, deadline and requested the entire amount allocated.

As described above under "Head Start Reauthorization Act," ARRA funds awarded for the state advisory councils are one-time start-up grants that may be used over a three-year period. The federal ARRA grant will provide 30% of the total approved cost of the project. States are required to provide a match of 70% of the total approved cost of the project. Matching funds may include state, local, or private contributions that benefit the ECAC project. The match requirement may be met by cash or in-kind contributions.

On behalf of ECAC, DCF submitted its application on July 12, 2010. The Administration for Children and Families (ACF) in the federal Department of Health and Human Services approved the application in the amount of \$1,272,323 on August 10, 2010.

In addition, ACF indicated that there would be supplemental funds of \$164,277 available to the state for collaboration and coordination grants. DCF applied for these funds on August 31, 2010. ACF has not yet approved this application, but DCF anticipates that the approval will be forthcoming.

ANALYSIS

In its application for a federal ARRA early childhood education and care coordination and collaboration grant, DCF indicates that the ARRA grant would be used to accomplish five objectives. First, funding would be used to analyze key aspects of early childhood initiatives and

programs to increase understanding of the components of a comprehensive early childhood system that results in ready schools, communities, and children. Second, funds would support the implementation of a process for gathering and analyzing annual statewide system data to identify accomplishments and perceived gaps in creating, enhancing, and expanding availability of quality comprehensive early care and education services. Third, funding would be used to identify barriers to effective collaboration in the development and implementation of comprehensive early childhood services that include the defined program components and to implement strategies to minimize these barriers. Fourth, funds would help develop the ECAC strategic plan, which is a comprehensive, multi-year plan, with priorities for action. Finally, funds would be used to allow ECAC to work toward the alignment of the strategic plan with state department goals, public policy initiatives, and state and federal funding opportunities.

To fund the activities described above, the initial application that has been approved indicates that the total cost of this project to coordinate and collaborate among early childhood education and care is \$4,241,077. Of this amount, the federal ARRA grant is \$1,272,323 (30% of the total cost). The Department of Public Instruction (DPI) provides an additional \$2,968,754 GPR (70% of the total cost) in matching funds. The following table shows the budget for the federal ARRA grant over the three-year period.

Budget for ARRA Early Childhood Advisory Council Grant

<u>Expenditure</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Total</u>
ECAC/DCF				
Salary 1.6 FTE	\$70,559	\$70,559	\$70,559	\$211,677
Fringe 1.6 FTE	35,350	35,350	35,350	106,050
Travel	1,850	1,850	1,850	5,550
Supplies and Services	48,206	48,206	48,206	144,618
ECAC Meeting Expenses	6,000	6,000	6,000	18,000
Public Input	3,000	3,000	3,000	9,000
Printing and Publishing	14,000	10,000	10,000	34,000
DPI				
Salary 0.5 FTE	89,378	0	0	89,378
Fringe 0.5 FTE	37,092	0	0	37,092
Supplies and Services	26,312	0	0	26,312
Wisconsin Model Early Learning Standards Access	30,000	30,000	30,000	90,000
Professional Development Environmental Scan	15,000	5,000	0	20,000
Professional Development	0	50,000	50,000	100,000
ECAC Consultation and Facilitation	10,000	8,000	6,000	24,000
UW Madison LaFollette Institute	48,699	28,390	0	77,089
Technical College/State University Mini-Grants	30,000	30,000	30,000	90,000
Collaboration and Council Survey	20,000	40,000	40,000	100,000
The Registry	30,000	10,000	10,000	50,000
Projects Defined by System Assessment	0	22,000	17,557	39,557
Total	\$515,446	\$398,355	\$358,522	\$1,272,323

Department of Children and Families and Early Childhood Advisory Council

Costs for DCF and ECAC would total \$528,895 for 1.6 FTE positions (\$70,559 annually for salary and \$35,350 annually for fringe benefits), travel (\$1,850 annually), supplies and services (\$48,206 annually), ECAC meeting expenses (\$6,000 annually), public input (\$3,000 annually), and printing and publishing (\$14,000 in year 1 and \$10,000 in years 2 and 3).

Project staff includes a 1.0 FTE program policy analyst coordinator and a 0.6 FTE operations and program associate. The program policy analyst coordinator would monitor the work of contractual organizations and individuals; facilitate communication between ECAC members and stakeholder groups, websites, listserv, public hearings, and regional and local engagements; and track the areas of accomplishment and slippage in the ECAC work plan and strategic plan. The operations and program associate would prepare materials for each ECAC and committee meeting, make final preparations of the reports and coordinate their dissemination, and other activities as assigned by the coordinator. These positions are not part of this request. DCF will request these positions from the Governor under section 16.505(1)(c) of the statutes.

Travel includes coordinator attendance at annual ACF meetings in Washington, D. C., as well as staff travel to ECAC and committee meetings. ECAC meeting expenses include costs for the facilities, technology, and travel reimbursement for ECAC and committee meetings. Expenses for public input include costs for video conferences and regional meetings. Printing and publishing costs are for the ECAC system reports and the annual report.

Department of Public Instruction

Project costs for DPI would total \$242,782 for a 0.5 FTE position (\$89,378 for salary and \$37,092 for fringe benefits in year 1), supplies and services (\$26,312 in year 1), and access to training and technical assistance for the Wisconsin Model Early Learning Standards (\$30,000 annually).

Project staff includes a 1.0 FTE information system business automation specialist, which would provide data analysis, business analysis, and project support for the Wisconsin longitudinal data system project (LDS) during year 1. Years 2 and 3 would be funded from a longitudinal data system grant through DPI. The specialist would: (a) identify data elements collected, method of collection, availability of the data collected, data standards used, and the capacity available for data sharing for current early childhood programs; (b) build consensus around common data elements, other data elements needed, and common data standards between DPI and early childhood education partners; and (c) create a work plan to indicate how, what, and when the identified data elements can be added to the LDS on a per program schedule. Similar to the DCF positions, this position is not part of the ARRA request.

Training and technical assistance funds would support training material, trainer stipends, facilities, and other expenses related to expanding access to training on the WMELS. Funds may

be distributed through regional action teams or individual stipends. Matching funds of \$13,000 GPR annually from DPI's Head Start state supplemental funds would also be used to support the expansion of training and technical assistance on the WMELS. Matching funds are described in further detail below.

Contracted Costs

Professional Development Environmental Scan. The environmental scan examines existing professional development within and among the early childhood system components. Funding of \$15,000 in year 1 and \$5,000 in year 2 would support staff time, consultation, travel, technology, and other expenses. The scan would provide data related to the professional development position (described below), improving access to professional development, and other needed information. Matching funds of \$5,000 GPR in year 1 and \$10,000 GPR in year 2 would also be used to support the environmental scan.

Professional Development. Based on information provided by the professional development environmental scan, \$50,000 in year 2 and in year 3 would fund a contracted position for professional development support, beginning in year 2. This contracted position would work through the Wisconsin Early Childhood Collaborating Partners (WECCP) professional development initiative to align efforts among different early education components, to increase access to cross-component state professional development priorities, and to create public-private professional development partnerships.

ECAC Consultation and Facilitation. Funding of \$10,000 in year 1, \$8,000 in year 2, and \$6,000 in year 3 would be used to contract for the services of consultants, facilitators, or presenters for the ECAC and its committees. DCF would administer these funds through service contracts or interagency agreements. DCF indicates that the initial costs would be higher due to the initial ECAC report to the Governor.

UW Madison LaFollette Institute of Public Policy. The UW Madison LaFollette Institute of Public Policy would conduct a two-part system assessment during the first two years (\$48,699 in year 1 and \$28,390 in year 2). The assessment will review existing data, reports, evaluations, and recommendations of the existing system. The second part of the assessment will examine ECAC determined priorities or assessed need areas.

Technical College and State University Mini-Grants. Funding of \$30,000 in each of the three years would support the expansion of existing partnerships between the technical college and university systems to provide course articulation, common competencies, mentoring and peer review, on-line and alternative education options, and career awareness materials. The WECCP Higher Education Leadership Committee would serve as the advisory group to determine the most appropriate method of contracting and implementing the mini-grant process. Additional matching funds of \$3,000 GPR in each of the three years would be used for the mini-grants.

Collaboration and Council Survey. Funding of \$20,000 in year 1 and \$40,000 in years 2 and 3 would support an environmental scan and survey of existing councils related to early childhood. ECAC has established local and regional partnerships, communications, and councils as key elements of the early childhood system. Based on the data from the survey, funds would be allocated to local councils to support their interest in early childhood and to address ECAC's priority areas. Funding may support staff time, consultation, travel, technology, or other expenses. The WECCP Act Team would be the advisory group to determine the details of the request for proposal, selecting the contract agent, and advising on implementation. Additional matching funds of \$10,000 GPR in years 2 and 3 would be used for the survey.

Child Care Registry. Funding of \$30,000 in year 1 and \$10,000 in years 2 and 3 would be used to assist The Registry in expanding their database to support alignment and cross-component system design and data collection. The Registry is the state system for child care certification. An increase in cross-component data collection has increased with an increase in cross-component collaboration through the WMELS, Center for Social Foundations of Early Learning training, and inclusion of children with disabilities. Additional matching funds of \$3,000 GPR annually would be used for The Registry.

Projects Defined by System Assessment. Funding of \$22,000 in year 2 and \$17,557 in year 3 would be held back to support projects that become identified through the assessments.

Matching Funds

State matching funds are to be provided from the Head Start state supplement appropriation [20.255 (2)(eh)] under the Department of Public Instruction (DPI) in the amount of \$989,600 GPR annually, for a total of \$2,968,800 over the three grant years. Total funding for the Head Start state supplement is budgeted at \$6,960,100 GPR in 2010-11. Since 1990-91, state grants have been provided as a supplement to the federal Head Start program to provide preschool children from low-income families with a Head Start experience. DPI distributes funds to 36 federally designated Head Start agencies, with preference given to those already receiving federal funding, to enable expansion of their programs to additional preschool children who would otherwise be on waiting lists for the federal program. Under state law, grants may be used as a match for federal funds only if the state funds are used to secure additional federal support for Head Start activities. Currently the state supplement provides 1,219 children with Head Start services.

According to DPI, local Head Start grantees are permitted to designate up to 70% of their state supplement grant award as matching funds in order to secure additional federal dollars. Therefore, up to 30% of the current appropriation is available annually for designation as a state match to secure other federal grants. According to DPI, the state supplement funds designated as a state match will continue to be paid to local Head Start grantees. The grant application specifies amounts of \$962,600 in year one, \$947,600 in year two, and \$957,600 in year three as the portion of the match supporting local efforts, in order to continue to support local Head Start grantees and their roles in promoting quality early childhood education in their local communities. The

remainder of the matching funds, \$27,000 in year one, \$42,000 in year two, and \$32,000 in year three, would be designated for contractual services and other state-level activities. The remaining costs of these activities would be provided from the federal grant funds. The state match amounts would partially fund: (a) a data analyst position within DPI to align early childhood data with the state student identifier system; (b) technical assistance and training on the state's model early learning standards; (c) mini-grants to institutions of higher education for course articulation and system alignment between the University of Wisconsin and the Wisconsin Technical College systems' educator training programs; (d) assessment of professional development practices; (e) expansion of a state child care certification registry; (f) survey and support of existing local early childhood councils; and (g) efforts to gather public input. These state-level activities are intended to improve the overall quality of early childhood education and to improve statewide collaboration between Head Start and other early childhood education entities, in order to better meet the needs of low-income children from birth to school entry.

Supplemental Federal Funds

Subsequent to the approval of the initial application for \$1,272,323 in federal ARRA funds, ACF notified DCF that an additional \$164,277 in supplemental federal funds was available. DCF submitted a second application for these additional funds. Although ACF has not yet formally approved this application, DCF believes that approval will be forthcoming. DCF states that ACF has indicated that the notification for approval will be sent in the next two weeks.

Of the \$164,277 in supplemental federal funds, \$63,000 would be used to increase the operations and program associate in DCF from 0.6 FTE to 1.0 FTE (\$14,000 in each of the three years for salary and \$7,000 in each of the three years for fringe benefits). The remaining funds would support an expansion of the activities described above, including extending the Lafollette assessments into the third year, additional projects that will be defined by the assessments, increased assistance to local community councils, and additional funds for ECAC and its committees.

DPI has indicated that it would provide an additional \$383,300 GPR over the three-year period in order to meet the additional match requirement for the supplemental federal funds. These matching funds would also be provided from the Head Start state supplemental appropriation, as described above.

SUMMARY

The federal ARRA funds would be used for a variety of activities to increase coordination and collaboration among early childhood education and care programs and services. A total of \$4,241,076 (\$1,272,323 FED and \$2,968,755 GPR) would support this three-year project. The information on budgeted expenses and uses of these funds is detailed in the application for the grant, and the plan has already been approved by ACF. Approval of the request by the Committee would be consistent with the requirements and intent of the federal ARRA legislation.

Additional supplemental federal funds in the amount of \$164,277 have been applied for. It is anticipated that these funds will be approved within the next two weeks. These funds would need additional matching funds of \$383,300. DPI has indicated that an additional \$127,800 GPR annually would be provided from the Head Start state supplemental appropriation to meet this requirement. The Committee could approve the use of federal ARRA funds in the amount of \$164,277 for the early childhood education and care collaboration and coordination project under the assumption that ACF will approve the application. On the other hand, the Committee could chose to deny the use of \$164,277 and require the Governor to submit an official request after ACF has notified DCF of the approval of the application for these funds.

ALTERNATIVES

1. Approve the request for the early childhood education and care coordination and collaboration ARRA grant in the amount of \$1,436,600 FED in 2010-11.
2. Approve the request only for the ARRA grant already approved by ACF in the amount of \$1,272,323 FED in 2010-11.
3. Deny the request.

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